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GOVERNMENT OF INDIA

MINISTRY OF AGRICULTURE

NOTIFICATION

New Delhi, the 2nd September 1949

- No SV-101(11)/49.—In exercise of the powers conferred by Section 3(1) of Essential Supplies (Temporary Powers) Act, 1946 (XXIV of 1946), the Central Government is pleased to make the following Order.—
- 1. (1) This order may be called the Sugai (Futures and Options) (Prohibition) Order, 1949.
 - (2) It extends to all the Provinces of India.
 - (3) It shall come into force on the 2nd September, 1949.
- 2. In this Order, unless there is anything repugnant in the subject or context,
 - (a) "Sugar" means (i) any form of sugar containing more than 90 per cent. of sucrose; (ii) any sugar of crystalline structure,
 - (b) "futures in sugar" means any agreement relating to the purchase or sale of sugar made on a forward basis and providing for delivery at some future date and payment of margin on such date or dates as may be expressly or impliedly agreed upon by the parties;
 - (c) "margin" means the difference between the price specified in an agreement relating to the purchase or sale of sugar and the prevailing market price for the same quality and quantity of sugar on a particular day;
 - (d) 'option in sugar' means an agreement for the purchase or sale of a right to buy or a right to sell, or a right to buy and sell, any sugar in future, and includes a tep, a mandi and a tep-mandi in any sugar.
 - 3. After the commencement of this Order no person shall—
 - (a) save with the permission of the Central Government or of an officer authorised by the Central Government in this behalf, enter into any futures in sugar, or pay, or receive, or agree to pay or receive, any margin in connection with any such futures;
 - (b) enter into any option in sugar.
- 4 Any option in sugar entered into before the commencement of this Order and remaining to be performed whether wholly or in part shall be void within

the me mmg of the Indian Contract Act, 1872, and shall not be enforceable by law.

- 5 No person being the owner or occupier of any premises shall knowingly permit such premises to be used—
 - (a) for the making of any future or option in sugar or the payment or receipt of any margans in confiavention of clause 3, or
 - (b) for the performence of any option in sugar declared void by clause 4
- 6 The Central Government or the Provincial Government may by notification in the Official Gazette appoint such persons as it thinks fit to be Inspectors for the purposes of this Order within such local limits as it may assign to their respectively.
- 7. An Inspector appointed in pursuance of clause 6 may, within the local limits assigned to him:
 - (a) enter and inspect, with such assistants, if any premises used or believed to be used for the making or pertermance of futures or options in sugar or the payment or receipt of margins;
 - (b) require the owner, occupies or other person in charge of the premises to produce any books, accounts or other documents relating to such transactions,
 - (c) take or cause to be taken extracts from or copies of any documents relating to such transactions which are produced before him or otherwise found in the premises.

N. T. MONE, Joint Secy